

**SUMMER, 2012
ASSESSOR'S CONFERENCE
AUDITING PERSONAL
PROPERTY RETURNS
RESOURCE MATERIALS
PACKET**



March 1, 2012

↳ Legislation & Policy Information

↳ Indiana Code & Administrative Code

↳ Indiana Administrative Code

↳ Title 50

↳ Article 4.2 (PDF)

ARTICLE 4.2. ASSESSMENT OF TANGIBLE PERSONAL PROPERTY

NOTE: Reinstated by IC 6-1.1-3-22, effective July 1, 2003.

Rule 1. Administration; Procedure

50 IAC 4.2-1-1 Primary definitions (Repealed)

Sec. 1. (Repealed by Department of Local Government Finance; filed Feb 26, 2010, 2:43 p.m.: 20100324-IR-050090576FRA)

50 IAC 4.2-1-1.1 Primary definitions

Authority: IC 6-1.1-31-1

Affected: IC 6-1.1-1-11

Sec. 1.1. (a) The definitions in this section apply throughout this article.

(b) "Assessed value" or "valuation" means an amount equal to the true tax value of property rounded to the nearest ten dollars (\$10).

(c) "Assessing official" means a:

- (1) township assessor, if any;
- (2) county assessor; or
- (3) member of a county property tax assessment board of appeals.

(d) "Assessment date" means March 1.

(e) "Construction in process" means tangible personal property not placed in service. The term includes tangible personal property that has not been depreciated and is not yet eligible for federal income tax depreciation under the Internal Revenue Code. The term does not include inventory, special tools, leased property, or returnable containers.

(f) "Critical spare parts" means parts that are maintained for possible future replacement of parts in use in operating equipment. Critical spare parts are maintained on-site, sometimes for a considerable period of time, to avoid a disruption of production if replacement of a failed part cannot otherwise be made immediately.

(g) "Depreciable personal property" means all personal property that is used in a trade or business, used for the production of income, or held as an investment that should be or is subject to depreciation for federal income tax purposes, except to the extent that property is treated otherwise in this article.

(h) "Filing date" means the May 15 date on which every person owning, holding, possessing, or controlling tangible personal property with a tax situs within the state of Indiana as of March 1 of any year is required to file a personal property tax return unless an extension of time to file is obtained. If the filing date falls on a Saturday, a Sunday, a national legal holiday recognized by the federal government, or a statewide holiday, the next succeeding business day that is not a Saturday, Sunday, or federal or state holiday becomes the filing date.

(i) "Inventory" means:

- (1) materials held for processing or for use in production;
- (2) finished or partially finished goods of a manufacturer or processor;
- (3) property held for sale in the ordinary course of trade or business; and
- (4) items that qualify as inventory under 50 IAC 4.2-5-1.

The term excludes items that are or should be subject to federal tax depreciation and that are or should be reported for Indiana property tax purposes at cost per 50 IAC 4.2-2-2 in Pool 1 (50 IAC 4.2-4-5) including rent to own assets; DVD, CD, and video games held for rent; and equipment held for rent that is fully expensed in its first year.

(j) "Nonsubstantial compliance" means a tax return that:

- (1) omits five percent (5%) or more of the cost per books of the tangible personal property at the location in the taxing district for which a return is filed;
- (2) omits leased property and other nonowned personal property assessable under 50 IAC 4.2-2-4(b) where such omitted property exceeds five percent (5%) of the total assessed value of all reported personal property; or
- (3) is filed with the intent to evade personal property taxes or assessment.

(k) "Original personal property return" means a personal property tax return filed with the proper assessing official by May 15 or, if an extension is granted, the extended filing date.

(l) "Personal property":

- (1) has the meaning set forth in IC 6-1.1-1-11; and

STATE OF INDIANA

DEPARTMENT OF LOCAL GOVERNMENT FINANCE



INDIANA GOVERNMENT CENTER NORTH
100 NORTH SENATE AVENUE N1058(B)
INDIANAPOLIS, IN 46204
PHONE (317) 232-3777
FAX (317) 232-8779

TO: County Assessors and Assessing Officials
FROM: Barry Wood, Assessment Division Director 3W
RE: Assessment of Non-Automotive Equipment
DATE: March 3, 2011

Under Indiana law "the annual license excise tax upon commercial vehicles" is "in lieu of the ad valorem property tax levied for state or local purposes." Ind. Code 6-6-5.5-3(a). The law makes clear that "[n]o commercial vehicle subject to taxation under [Ind. Code 6-6-5.5] shall be assessed as personal property for the purpose of assessment and levy of personal property taxes." Ind. Code 6-6-5.5-3(d).

The purpose of this memorandum is to assist in the determination of the assessment of non-automotive equipment, either to be assessed as tangible personal property or to be taxed as excise by the Bureau of Motor Vehicles (BMV). In the revised Personal Property Rule (50 IAC 4.2 - effective for the March 1, 2011 assessment date, see <http://www.in.gov/legislative/iac/T00500/A00042.PDF> for the complete rule), the following definition is given (50 IAC 4.2-1-1.1 (l) - emphasis added):

- (l) "Personal property":
- (1) has the meaning set forth in IC 6-1.1-1-11; and
- (2) **also includes nonautomotive equipment attached to excise vehicles.**

IC 9-13-2-188 (see below) gives the following definition for a "truck," and IC 9-13-2-196 (a) - see below, gives the following definition for a "vehicle."

IC 9-13-2-188

Truck

Sec. 188. (a) "Truck" means a motor vehicle designed, used, or maintained primarily for the transportation of property.

(b) "Truck," for purposes of IC 9-21-8-3, includes the following:

- (1) A motor vehicle designed and used primarily for drawing another vehicle and constructed to carry a load other than a part of the weight of the vehicle and load drawn.
- (2) A motor vehicle designed and used primarily as a farm implement for drawing plows, mowing machines, and other implements of agriculture.

http://www.in.gov/dlgf/files/110303_-_Wood_Memo_-_Assessment_of_Non_Automotive_Equipment.pdf

www.in.gov/dlgf

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↳ Non-Automotive Equipment Memo 3/3/2011

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TO: County Assessors, County Auditors, and County Treasurers
FROM: Brian E. Bailey, Commissioner BEB
RE: Amended Personal Property Tax Returns
DATE: June 1, 2011

House Enrolled Act 1004-2011 amended IC 6-1.1-3-7.5 to extend the deadline, under certain circumstances, for filing an amended personal property tax return and set new criteria for resulting taxpayer credits. This memorandum will discuss the changes to the law.

I. Filing Dates for Amended Personal Property Returns

A taxpayer may file an amended personal property tax return as follows:

1. If the statutory filing deadline for the original personal property tax return was before May 15, 2011, not more than 6 months after the later of:
 - a. the filing date for the original personal property tax return, if the taxpayer is not granted an extension; or
 - b. the extension date for filing the original personal property tax return.
2. If the statutory filing deadline for the original personal property tax return is after May 14, 2011, not more than 12 months after the later of:
 - a. the filing date for the original personal property tax return, if the taxpayer is not granted an extension; or
 - b. the extension date for filing the original personal property tax return.

II. Reduction of Credit or Refund by County Auditor

If a person files an amended personal property tax return more than 6 months, but less than 12 months, after the statutory filing date or the extension date granted for the original personal property tax return, and, as a result, is entitled to a credit or refund, the county auditor must reduce the amount of the credit or refund by ten percent (10%) of the credit or refund amount.

For example, if a taxpayer files an amended personal property return on November 22 for a May 15 statutory due date and is entitled to a \$1000 refund or credit, the taxpayer will instead receive a \$900 credit or refund.

http://www.in.gov/dlgf/files/110601_-_Amended_Personal_Property_Tax_Returns.pdf

www.in.gov/dlgf

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DEPARTMENT OF LOCAL GOVERNMENT FINANCE



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100 NORTH SENATE AVENUE N105
INDIANAPOLIS, IN 46204
PHONE (317) 232-3333
FAX (317) 232-4444

TO: Assessing Officials
FROM: Barry Wood, Assessment Division Director *JW*
RE: Outdoor Advertising
DATE: May 11, 2012

On March 19, 2012, Governor Mitch Daniels signed House Enrolled Act 1072 (the Act). Section 13 of the Act adds IC 6-1.1-3-24, retroactive to the March 1, 2011 assessment date, regarding the assessment of outdoor advertisements. The following schedule must be used to determine the assessed value of various sizes of outdoor advertising signs for the 2011 through 2014 assessment dates, **without any adjustments**:

Single Pole Structure	
Type of Sign	Value Per Structure
At least 48 feet, illuminated	\$5,000
At least 48 feet, non-illuminated	\$4,000
At least 26 feet and under 48 feet, illuminated	\$4,000
At least 26 feet and under 48 feet, non-illuminated	\$3,300
Under 26 feet, illuminated	\$3,200
Under 26 feet, non-illuminated	\$2,600
Other Types of Outdoor Signs	
At least 50 feet, illuminated	\$2,500
At least 50 feet, non-illuminated	\$1,500
At least 40 feet and under 50 feet, illuminated	\$2,000
At least 40 feet and under 50 feet, non-illuminated	\$1,300
At least 30 feet and under 40 feet, illuminated	\$2,000
At least 30 feet and under 40 feet, non-illuminated	\$1,300
At least 20 feet and under 30 feet, illuminated	\$1,600
At least 20 feet and under 30 feet, non-illuminated	\$1,000
Under 20 feet, illuminated	\$1,600
Under 20 feet, non-illuminated	\$1,000

Because the legislation is retroactive to the March 1, 2011 assessment date, taxpayers will have the opportunity to file an amended return for their March 1, 2011 personal property assessment (see http://www.in.gov/dlgf/files/110601_-_Amended_Personal_Property_Tax_Returns.pdf for more information on amending personal property tax returns). In determining the assessed value to be reported on the personal property return, the values listed above are the assessed values,

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TO: County Auditors and Assessing Officials
FROM: Brian E. Bailey, Commissioner BEB
RE: Solar Power Device Deduction
DATE: April 4, 2012

I. Introduction

Section 15 of House Enrolled Act 1072 ("HEA 1072") provides for a property tax deduction for solar power devices installed after December 31, 2011. The effective date for the deduction was made retroactive to January 1, 2012.

This memorandum provides an overview of the solar power device deduction under the new IC 6-1.1-12-26.1, the deduction filing requirements of IC 6-1.1-12-27.1, and the availability of the deduction for taxes first due and payable in 2013.

II. Solar Power Device Deduction (IC 6-1.1-12-26.1)

Who qualifies for the deduction?

Indiana Code 6-1.1-12-26.1 provides that a person who is the owner of real property equipped with a solar power device that is assessed as a real property improvement, distributable property under IC 6-1.1-8, or personal property may receive the deduction if the applicant for the deduction:

- (1) owns the real property, mobile home, or manufactured home or owns the solar power device;
 - (2) is buying the real property, mobile home, manufactured home, or solar power device under contract; or
 - (3) is leasing the real property from the real property owner and be subject to assessment and property taxation with respect to the solar power device;
- on the date the application is filed.

This deduction is not applicable to a solar power device owned or operated by a person who provides electricity at wholesale or retail for consideration unless:

- (1) the owner participates in a net metering or feed-in-tariff program offered by an electric utility with respect to the solar power device; or

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http://www.in.gov/dlzf/files/120404_Solar_Power_Device_Deduction.pdf

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To: County Assessors, Township Assessors, & Assessing Officials

From: J. Barry Wood, Director, Assessment Division *JBW*

Date: August 21, 2009

Re: Abnormal Obsolescence & Personal Property Assessments

The purpose of this memorandum is to address questions received by the Department of Local Government Finance ("Department") concerning abnormal obsolescence adjustments claimed on the March 1, 2009 personal property returns.

The Indiana Administrative Code defines "abnormal obsolescence" as:

...obsolescence which occurs as a result of factors over which the taxpayer has no control and is unanticipated, unexpected, and cannot reasonably be foreseen by a prudent businessman prior to the occurrence. It is of a nonrecurring nature and includes unforeseen changes in market values, exceptional technological obsolescence, or destruction by catastrophe that has a direct effect upon the value of the personal property of the taxpayer at the tax situs in question on a going concern basis. 50 IAC 4.2-9-3 (a).

When a taxpayer seeks an obsolescence adjustment, it must be able to pass a two-pronged test showing that it can: 1) identify the causes of the alleged obsolescence; and 2) quantify the amount of obsolescence to be applied to its asset(s).

On many of the personal property tax returns that claimed an abnormal obsolescence adjustment, taxpayers were able to establish the first prong by identifying the factors that caused the obsolescence. However, the second prong, quantification, has proven to be an issue. **This memorandum, therefore, will focus on quantification.**

Each prong requires a connection to an actual loss in property value. This means the quantification of obsolescence is tied to **the actual loss of value suffered by an asset**. For example, when identifying factors that cause obsolescence, a taxpayer must show the causes of obsolescence also caused an actual loss of value to the property.

http://www.in.gov/dlgf/files/090821_-_Wood_Memo_-_Abnormal_Obsolescence_and_Personal_Property_Assessments.pdf

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↳ 2009

↳ Abnormal Obsolescence Memo 8/21/2009

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PHONE (317) 232-3761
FAX (317) 232-8779

TO: Assessing Officials

FROM: Barry Wood, Assessment Division Director *JBW*

RE: Abnormal Obsolescence (Personal Property) Frequently Asked Questions

Date: April 19, 2011

As a follow-up to the March 25, 2011 conference calls on abnormal obsolescence for personal property, listed below are some frequently asked questions:

I am a new assessor. How is abnormal obsolescence claimed on the return?

Abnormal obsolescence is claimed on Line 65 of the Form 103-Long or on Line 61 of the Form 102. A taxpayer calculates the true tax value and then claims this adjustment if he believes he is entitled to it.

How is the adjustment calculated?

50 IAC 4.2-9 provides the definitions of both "Normal Obsolescence" and "Abnormal Obsolescence" and addresses the allowance of the adjustment. 50 IAC 4.2-4-8 covers the calculation of the adjustment and includes two examples. Note that both examples require the establishment of the net realizable value (or market value) of the affected asset.

What if the taxpayer never establishes what the "net realizable value" is but simply develops a factor to reduce the true tax value?

An adjustment that does not establish a net realizable value should be scrutinized and consideration should be given on whether to approve or deny the claimed adjustment. See the Department's August 21, 2009 memorandum for examples of calculations that are not in compliance with the administrative rules http://www.in.gov/dlgf/files/090821_-_Wood_Memo_-_Abnormal_Obsolescence_and_Personal_Property_Assessments.pdf.

http://www.in.gov/dlgf/files/110418_-_Wood_Memo_-_Abnormal_Obsolescence_FAQs.pdf

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↳ Memos & Presentations

↳ 2011

↳ Abnormal Obsolescence FAQ Memo 4/19/2011

After the Department of Local Government Finance's memorandum was released on abnormal obsolescence, we have received questions on what is an inutility penalty. The following is a general explanation of it and how it is used to determine a loss in value for equipment.

An inutility penalty can be used by an appraiser to measure a loss in value for equipment that is being operated at less than its rated or design capability. It can be used to estimate one form of economic obsolescence within the cost approach (one of the three approaches to market value).

There are three types of appraisal depreciation that are traditionally recognized by appraisers. These types are physical deterioration, functional obsolescence, and economic obsolescence so calculating economic obsolescence with the inutility penalty is just one part of calculating all forms of appraisal depreciation.

When an appraiser begins an appraisal of equipment under the cost approach, he/she usually starts with the current replacement cost new and then deducts for the loss in value caused by the three types of depreciation. So replacement cost new less physical deterioration (from normal wear and tear); less functional obsolescence, if any; less economic obsolescence, if any; equals the fair market value of the equipment. (Note: Even though replacement cost new is the proper starting point in the cost approach, there are times when an appraiser can determine that reproduction cost new can be used.)

This is why many of the personal property returns, filed in Indiana, that include an abnormal obsolescence deduction based on an inutility penalty type calculation are not filed in compliance with our rules and regulations. It is because they are improperly using a very small portion of an appraisal technique used to determine a fair market value and a loss to that fair market value and applying it to Indiana's true tax value system. It is simply not an "apples to apples" comparison.

To correctly use the inutility penalty in the calculation of their personal property assessment, a fair market value would be determined based on all forms of depreciation (including economic obsolescence calculated with the inutility penalty or any other generally accepted appraisal method). If this fair market value is less than the true tax value, the abnormal obsolescence deduction would be the difference between the two. If the fair market value is greater than the true tax value, no abnormal obsolescence exists for ad valorem tax purposes. To simply calculate an inutility penalty factor and apply it to the true tax value of the equipment is not in compliance with our rules because it fails to establish the fair market value (a.k.a. documented net realizable value referred to 50 IAC 4.2-4-8); therefore the second prong of the test referred to in our memorandum, the quantification of the obsolescence, is never achieved. The taxpayer may have proven that abnormal obsolescence existed but failed to prove that it was substantial enough to decrease the fair market value to an amount that was lower than the true tax value of the equipment.

Many taxpayers who claim abnormal obsolescence deductions on their personal property returns refer to a single page from a book titled "Appraising Machinery and Equipment" which was published in 1989 by the American Society of Appraisers. This single page contains a formula for calculating the inutility penalty; however if the content of the book was used as a whole, assessors would be able to see the flaws in the taxpayer's methodology. These flaws are what have been addressed above.

Explanation offered by Steve McKinney, DLGF

REPRESENTATIVES FOR PETITIONER:

Dale Armbruster, True Tax Management

↳ Decisions

REPRESENTATIVE FOR RESPONDENT:

Susan McCarty, Chief Deputy County Assessor

↳ Select Month/Year or scroll
to the bottom of that page &
search the archives

**BEFORE THE
INDIANA BOARD OF TAX REVIEW**

Applied Extrusion)	
Technologies, Inc.,	)	Petition No.: 84-012-06-1-7-00001
)	
Petitioner,	)	Vigo County
	)	Otter Creek Township
v.)	
)	
Vigo County Assessor,	)	Personal Property
	)	2006 Assessment
Respondent.)	

Appeal from the Final Determination of the
Vigo County Property Tax Assessment Board of Appeals

August 17, 2009

FINAL DETERMINATION

The Indiana Board of Tax Review (Board) has reviewed the evidence and arguments presented in this case. The Board now enters findings of fact and conclusions of law.

ISSUE

Should Applied Extrusion Technologies have an abnormal obsolescence adjustment for its tangible personal property?

REPRESENTATIVE FOR PETITIONER:

William S. Faulkner, Senior Tax Manager, DuCharme, McMillen & Associates

REPRESENTATIVE FOR RESPONDENT

Henry E. Bennett, Jr., Administrative Assistant, Calumet Township

**BEFORE THE
INDIANA BOARD OF TAX REVIEW**

Koppers, Inc.,	)	Petition No.: 45-001-05-1-7-00001
)	
Petitioner,	)	Personal Property
)	
v.)	
	)	County: Lake
Calumet Township Assessor,	)	Township: Calumet
)	
Respondent.	)	Assessment Year: 2005

Appeal from the Final Determination of the
Lake County Property Tax Assessment Board of Appeals

June 16, 2010

FINAL DETERMINATION

The Indiana Board of Tax Review (Board) has reviewed the facts and evidence presented in this case. The Board now enters its findings of fact and conclusions of law on the following:

www.in.gov/ibtr

↳ Decisions

↳ June 2010

↳ Koppers Inc.

Koppers, Inc.
Findings & Conclusions
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http://www.in.gov/ibtr/files/Koppers_Inc_45-001-05-1-7-00001.pdf

Frequently Asked Question: A taxpayer has been filing a personal property return in a certain way for many years and we just discovered that we should have been correcting it. Should we change it this year or leave it alone since we have accepted it in the past?

Answer: Each assessment year stands alone so mistakes made in the past or the results of a poorly defended appeal do not have to carry on forever. Below are excerpts taken from just a few of the many decisions determined by the Indiana Board of Tax Review on this issue.

Petition: 73-002-03-1-3-00001

Petitioners: Omer & Janet Brewer

Respondent: Addison Township Assessor (Shelby County)

Parcel: 11-05.28-001.00

Assessment Year: 2003

c. Past assessments that granted obsolescence are not relevant and do not help to make the Petitioners' case. Each tax year stands on its own.

Barth, Inc. v. State Bd. of Tax Comm'rs, 699 N.E.2d 800, 805 n. 14 (Ind. Tax Ct. 1998).

Petition: 53-005-06-1-4-00051

Petitioner: Robert Fleetwood

Respondent: Monroe County

Parcel: 013-20790-00

Assessment Year: 2006

16. Each assessment year is separate and distinct. See *Quality Stores, Inc. v. State Bd. of Tax Comm'rs*, 740 N.E.2d 939, 942 (Ind. Tax Ct. 2000); *Barth v. State Bd. of Tax Comm'rs*, 699 N.E.2d 800, 806 (Ind. Tax Ct. 1998) (each tax year stands on its own and where taxpayer challenges an assessment, the resolution does not depend on how the property was previously assessed).

Petition #: 71-001-06-1-5-02183

Petitioner: Richard Weber

Respondent: St. Joseph County Assessor

Parcel #: 01-1001-001403

Assessment Year: 2006

e) Mr. Weber also argued that the subject property's assessment increased too much over one year. But the 2006 assessment was not designed to capture a one-year difference in the market. To the contrary, it was designed to bring values forward from January 1, 1999, to January 1, 2005. See MANUAL at 2, 4, 8 (making January 1, 1999, the valuation date for 2002 – 2005 assessments) and 50 IAC 21-3-3(b) (making January 1 of the calendar year preceding the assessment date the valuation date for annually adjusted assessments beginning with March 1, 2006, assessments). Further, because each tax year stands alone, evidence of a property's assessment in one tax year is not necessarily probative of its true tax value in a different tax year. *Fleet Supply, Inc. v. State Bd. of Tax Comm'rs*, 747 N.E.2d 645, 650 (Ind. Tax Ct. 2001) (citing *Glass Wholesalers, Inc. v. State Bd. of Tax Comm'rs*, 568 N.E.2d 1116, 1124 (Ind. Tax Ct. 1991)). Thus, the jump in the subject property's assessment from 2005 to 2006 does nothing to rebut the presumption that the subject property was accurately assessed.

**BUSINESS TANGIBLE PERSONAL
PROPERTY ASSESSMENT RETURN**

State Form 11405 (R32 / 12-11)

Prescribed by the Department of Local Government Finance

**FORM
103 - LONG****MARCH 1, 2012**

For Assessor's Use Only

INSTRUCTIONS: PLEASE TYPE or PRINT

- This form must be filed with the assessor of the county in which the property is located not later than May 15 unless an extension of up to thirty (30) days is granted in writing.
- A Form 104 must be filed with the return.

PRIVACY NOTICE: The records in this series are confidential according to I. C. 6-1.1-35-9.

Name of taxpayer John's Automotive Parts Mfg., Inc.		Federal Identification Number ** 35-6844723
Name under which business is conducted		DLGF Taxing district number 93005
Address where property is located (number and street, city, state, and ZIP code) 567 Base Road, Any Town, IN		DLGF Taxing district name Forest Twp. - Any Town
Nature of business Automotive Parts Mfg	NAICS * - Code number 336399	Township Forest
Name and address to which Assessment and Tax Notice is to be mailed (if different than above)		County Sherwood
		Retail Merchants Certification Number

1. Federal Income Tax Year ends February 28 Name filed under John's Automotive Parts Mfg., Inc.
2. Location of accounting records 567 Base Road, Any Town, IN
3. Form of business ☐ Partnership or Joint Venture ☐ Sole Proprietorship ☒ Corporation ☐ Estate or Trust
☐ Other, describe: _____
4. Do you have other locations in Indiana? ☐ Yes ☐ No
5. Did you own, hold, possess or control any leased, rented or other depreciable personal property on March 1? ☐ Yes ☒ No (See 50 IAC 4.2-8)
6. Did you own, hold, possess or control any Special Tools on March 1? ☐ Yes ☒ No (See 50 IAC 4.2-6-2)
7. Did you own, hold, possess or control any returnable containers on March 1? ☐ Yes ☒ No (See 50 IAC 4.2-6-4)
8. Total sales for this location during the prior fiscal or calendar year. \$ 550,000,000.00

If taxpayer answers "yes" to question 5, the owner must file Form 103-O and the possessor must file Form 103-N. Failure to properly disclose lease information may result in a double assessment. (See 50 IAC 4.2-2 and 50 IAC 4.2-8).

Duplicate Return Requirement. Every taxpayer whose total combined assessed value of business personal property in a single taxing district is \$150,000 or more must file each return in duplicate including the confidential returns and schedules attached thereto. (IC 6-1.1-3-7 (c))

Failure to file a return on or before the due date, as required by law, will result in the imposition of a twenty-five dollar (\$25) penalty. In addition, if the return is not filed within thirty (30) days after such return is due, a penalty equal to twenty percent (20%) of the taxes finally determined to be due with respect to the property which should have been reported will be imposed. A personal property return is not due until the expiration of any extension period granted by the assessing official under IC 6-1.1-3-7 (b). If the total assessed value that a person reports on a personal property return is less than the total assessed value that the person is required by law to report and if the amount of the undervaluation exceeds five percent (5%) of the value that should have been reported on the return, then the county auditor shall add a penalty of twenty percent (20%) of the additional taxes finally determined to be due as a result of the undervaluation.

In completing a personal property return for a year, a taxpayer must make a complete disclosure of all information relating to the value, nature or location of personal property owned, held, possessed or controlled on the assessment date. (IC 6-1.1-3-9 (a)). This information would include, but not be limited to, completion of the heading and related information, answers to all questions on the face of the return, and entries on all of the appropriate lines of Schedule A. If such information is not provided, the taxpayer will be contacted and directed to provide that information. In addition, a penalty of \$25 may be imposed. (IC 6-1.1-3-7(d))

* NAICS - North American Industry Classification System - A complete list of codes may be found at www.census.gov. The Indiana Code (IC) and Indiana Administrative Code (IAC) may be found on-line at the DLGF website - www.in.gov/dlgf. For further questions, contact the County Assessor (available on the DLGF website).

NOTE: The NAICS Code Number appears on your federal income tax return.

** An individual using his Social Security number as the Federal Identification number is only required to provide the last four digits of that number. IC 4-1-10-3.

SUMMARY (Round all numbers to nearest ten dollars)	REPORTED BY TAXPAYER	CHANGE BY ASSESSOR	CHANGE BY THE COUNTY BOARD
Schedule A - Personal Property	+ \$ 12,558,080.00	\$	\$
Deduction per Form 103 ERA or Form 103-CTP	- \$	\$	\$
Final Assessed Valuation	= \$ 12,558,080.00	\$	\$

SIGNATURE AND VERIFICATION

Under penalties of perjury, I hereby certify that this return (including accompanying schedules, deduction claims and statements), to the best of my knowledge and belief, is true, correct, and complete; reports all tangible personal property, subject to taxation, owned, held, possessed or controlled by the named taxpayer, in the stated taxing district, on the assessment date, as required by law; and is prepared in accordance with IC 6-1.1 et seq., as amended, and regulations promulgated with respect thereto.

Signature of authorized person 	Telephone number (555) 123-4567	Date (month, day, year) 05/11/2012
Name and title of authorized person (please type or print) John Smith, President	E-mail contact JSmith@anytown.net	
Signature of person preparing return, if different than authorized person	Name and contact information of preparer (please type or print)	

FORM 103 - LONG See 50 IAC 4.2-4		TANGIBLE PERSONAL PROPERTY CONFIDENTIAL			SCHEDULE A MARCH 1, 2012
Line	Report all personal property assessable to this taxpayer below. (Round all figures below to nearest dollar)				Federal Identification number 35-6844723
1	Total cost of tangible depreciable personal property. (50 IAC 4.2- 4-2)				\$ 80,409,963.00
2	Adjustment to federal tax basis per Form 106. (50 IAC 4.2-4-4)				
3	Total cost and base year value of tangible depreciable personal property. (Line 1 plus 2)				\$ 80,409,963.00
Deduct Exempt Property (See 50 IAC 4.2-11)				COST	
4	Stationary industrial air purification systems (Attach Form 103-P.)			\$	
5	Industrial waste control facilities (Attach Form 103-P.)				
6	Enterprise information technology equipment (Attach Form 103-IT)				
7	Vehicles / airplanes subject to excise tax	Number of Units		\$	
Total cost of exempt property (Deduct from Line 3 and enter on Line 8)					
8	Subtotal				\$ 80,409,963.00
Additions: See 50 IAC 4.2-1-1 and 50 IAC 4.2-4-3 (b) and 4					
9	Cost of all depreciable personal property still in use but written off. (50 IAC 4.2-4-3(b))				\$
10	Cost of installation and foundations applicable to depreciable personal property. (50 IAC 4.2-4-2(d))				
11	Cost of interest incurred during construction and installation applicable to depreciable personal property. (50 IAC 4.2-4-3(h))				
12	Total cost and base year value of assessable depreciable personal property. (add Lines 8, 9, 10 and 11. Line 12 must agree with Line 56 Column A)				\$ 80,409,963.00
POOLING SUMMARY (From Schedule A-1 or Form 103-P5)		TOTAL COST COLUMN A	ADJUSTMENTS COLUMN B	ADJUSTED COST COLUMN C	TRUE TAX VALUE COLUMN D
56	Total All Pools	\$ 80,409,963.00	\$	\$ 80,409,963.00	\$ 15,301,172.00
57	30% of Adjusted Cost (Line 56, Column C) (enter zero (0) if filing 103-P5 and entity is a qualified steel mill or oil refinery per IC 6-1.1-3-23)				\$ 24,122,989.00
58	Greater of Lines 56D or 57				\$ 24,122,989.00
Adjustments to True Tax Value					
59	Equipment not placed in service at cost	Cost \$		X 10%	\$
60	Tools, dies, jigs, fixtures, etc., per Form 103-T. (50 IAC 4.2-6-2)		Cost \$		\$
61	Permanently retired equipment per Form 106. (50 IAC 4.2-4-3 (c) and (d))		Cost \$		\$
62	Commercial aircraft and commercial bus line fleet, not subject to excise tax per Form 103-I. (50 IAC 4.2-10)		Cost \$		\$
63	Total additions to True Tax Value. (Lines 59, 60, 61 and 62)				\$
64	Total True Tax Value before adjustments for "Abnormal Obsolescence." (Line 58 plus Line 63)				\$ 24,122,989.00
65	Abnormal Obsolescence Adjustment per Form 106. (50 IAC 4.2-4-8)				\$ 11,554,912.00
66	Total True Tax Value of personal property. (To page 1, Form 103 Summary)				\$ 12,558,077.00

** The total cost of special tools, dies, jigs, fixtures, etc., permanently retired equipment, commercial aircraft, and commercial bus line fleet, not subject to excise tax is to be deducted in full in Column B below. The true tax value of such property is to be computed on the proper Form(s) (103-T, 106 AND 103-I, respectively) and recorded on Line(s) 60, 61 and 62.

ROUND ALL FIGURES BELOW TO THE NEAREST DOLLAR.

YEAR OF ACQUISITION		COLUMN A	COLUMN B	COLUMN C		COLUMN D
POOL NUMBER 1: (1 TO 4 YEAR LIFE)		TOTAL COST OR BASE YEAR VALUE	ADJUSTMENTS ** (See Note Above)	ADJUSTED COST	T.T.V. %	TRUE TAX VALUE
13	From To 3-1-12 *				65	
14	3-2-11 To 3-1-12				65	
15	3-2-10 To 3-1-11				50	
16	3-2-09 To 3-1-10				35	
17	Prior To 3-2-09	\$	\$	\$	20	\$
18	TOTAL POOL NUMBER 1					
POOL NUMBER 2: (5 TO 8 YEAR LIFE)						
19	From To 3-1-12 *				40	
20	3-2-11 To 3-1-12	1,848,335.00		1,848,335.00	40	739,334.00
21	3-2-10 To 3-1-11	3,570,272.00		3,570,272.00	56	1,999,352.00
22	3-2-09 To 3-1-10	916,546.00		916,546.00	42	384,949.00
23	3-2-08 To 3-1-09	1,677,995.00		1,677,995.00	32	536,958.00
24	3-2-07 To 3-1-08	8,397,900.00		8,397,900.00	24	2,015,496.00
25	3-2-06 To 3-1-07	841,483.00		841,483.00	18	151,467.00
26	Prior To 3-2-06	\$ 63,157,432.00	\$	\$ 63,157,432.00	15	\$ 9,473,615.00
27	TOTAL POOL NUMBER 2	80,409,963.00		80,409,963.00		15,301,172.00
POOL NUMBER 3: (9 TO 12 YEAR LIFE)						
28	From To 3-1-12 *				40	
29	3-2-11 To 3-1-12				40	
30	3-2-10 To 3-1-11				60	
31	3-2-09 To 3-1-10				55	
32	3-2-08 To 3-1-09				45	
33	3-2-07 To 3-1-08				37	
34	3-2-06 To 3-1-07				30	
35	3-2-05 To 3-1-06				25	
36	3-2-04 To 3-1-05				20	
37	3-2-03 To 3-1-04				16	
38	3-2-02 To 3-1-03				12	
39	Prior To 3-2-02	\$	\$	\$	10	\$
40	TOTAL POOL NUMBER 3					
POOL NUMBER 4: (13 YEAR AND LONGER LIFE)						
41	From To 3-1-12 *				40	
42	3-2-11 To 3-1-12				40	
43	3-2-10 To 3-1-11				60	
44	3-2-09 To 3-1-10				63	
45	3-2-08 To 3-1-09				54	
46	3-2-07 To 3-1-08				46	
47	3-2-06 To 3-1-07				40	
48	3-2-05 To 3-1-06				34	
49	3-2-04 To 3-1-05				29	
50	3-2-03 To 3-1-04				25	
51	3-2-02 To 3-1-03				21	
52	3-2-01 To 3-1-02				15	
53	3-2-00 To 3-1-01				10	
54	Prior To 3-2-00	\$	\$	\$	5	\$
55	TOTAL POOL NUMBER 4					
56	TOTAL ALL POOLS	80,409,963.00		80,409,963.00		15,301,172.00

Election to report cost of Depreciable Assets by Federal tax year

☐ Yes ☒ No

Election available only when federal tax year ends December 31 or January 31. See 50 IAC 4.2-4-6 (c).

* If taxpayer elects to report cost above on federal tax year basis, assets acquired from the prior federal tax year end to March 1 are to be reported on the first line of the appropriate pool.

NOTE: All Column B adjustments above must be supported on Form 106, Form 103 - T, or Form 103 - I.



SCHEDULE OF ADJUSTMENTS TO BUSINESS TANGIBLE PERSONAL PROPERTY RETURN

State Form 12980 (R13 / 12-10)

Prescribed by Department of Local Government Finance

FORM 106

MAY 11, 2012

For Assessor's use only

INSTRUCTIONS: Please file with Form 102 or 103.

PRIVACY NOTICE: The records in this series are confidential according to IC 6-1.1-35-9.

Name of taxpayer (please type or print) John's Automotive Parts Mfg., Inc.		DLGF taxing district number 93005
Name under which business is conducted John's Automotive Parts Mfg., Inc.		
Address where property is located (number and street, city, and state) 567 Base Road, Any Town, IN	Township Forest	ZIP code 12345
IF A TAXPAYER CLAIMS ANY ADJUSTMENT ON THE VALUE OF HIS PROPERTY, THIS FORM MUST BE FILED, EXPLAINING IN DETAIL THE JUSTIFICATION FOR THE ADJUSTMENT, DESCRIBING THE ITEM OR ITEMS AFFECTED, AND THE BASIS OR METHOD USED IN ARRIVING AT THE AMOUNT CLAIMED. NO ADJUSTMENT WILL BE ALLOWED WITHOUT A VALID BASIS. FAILURE OF THE TAXPAYER TO GIVE THE DETAILED EXPLANATION REQUESTED ON THE FORM MAY RESULT IN A DENIAL OF THE ADJUSTMENT BY THE ASSESSOR. IF THE SPACE PROVIDED IS NOT SUFFICIENT, ATTACH A SEPARATE SHEET OR SHEETS.		
DEPRECIABLE AND OTHER		
(1) Adjust cost to federal tax basis - 50 IAC 4.2-4-4 (2) Permanently retired equipment (Deduct total cost and report scrap value on Form 103, Schedule A, Line 61) - 50 IAC 4.2-4-3(c) and (d) (3) Deduct abnormal depreciable asset obsolescence, only if qualified - 50 IAC 4.2-4-8 and 50 IAC 4.2-9 Any overall obsolescence claimed must also be applied to any abatement claimed. Calculations must be separately shown for the abated assessments. SPECIAL TOOLING MUST BE COMPUTED ON FORM 103-T. (50 IAC 4.2-6-2) COMMERCIAL AIRCRAFT AND COMMERCIAL BUSES MUST BE COMPUTED ON FORM 103-I. (50 IAC 4.2-10)		
Show and Explain All Calculations Below		

SIGNATURE AND VERIFICATION		
I hereby certify to the best of my knowledge and belief that the facts stated as bases for the adjustments claimed are true and complete and that the adjustments claimed hereon are required to produce true tax value of the property affected as defined by 50 IAC 4.2-1-1(t).		
Signature of authorized person	Title President	Date (month, day, year) 05/11/2012
Signature of person preparing return, if different than authorized person		Date (month, day, year)

EXPLANATION OF ADJUSTMENT (If more space is needed, attach additional sheet or sheets)													
<p>Per the American Global Society of Tax Appraisers, whenever the operating level of a plant is significantly less than its rated design or capability, the asset is less valuable than it would be otherwise. An inutility penalty can be used to measure the loss in value from this form of economic obsolescence (sometimes called external obsolescence).</p> <p>Due to the global economic downturn/recession, economic conditions enveloping the automotive industry have also impacted the automotive parts industry. Accordingly, the claim below is made for abnormal obsolescence due to the decreased production requirements.</p> <p>This loss in value can be measured by calculating the corresponding inutility penalty.</p> <table><tr><td>Actual Production for last year</td><td>58,456,094</td></tr><tr><td>divided by its Rated Capacity for this facility</td><td>122,037,775</td></tr><tr><td>Obsolescence Factor</td><td>47.9%</td></tr></table> <table><tr><td>Total True Tax Value Before Abnormal Obsolescence Adjustment:</td><td>24,122,989</td></tr><tr><td>Times Economic Obsolescence - Inutility Penalty Factor</td><td>X 47.9%</td></tr><tr><td>Abnormal Obsolescence Adjustment (carry to Page 2, Line 65)</td><td>11,554,912</td></tr></table> <p>Supporting Documentation for Adjustment: 50 IAC 4.2-4-8 & 50 IAC 4.2-9-3 Indiana Board of Tax Review's Decision: JOFCO Inc. v. DuBois County</p>		Actual Production for last year	58,456,094	divided by its Rated Capacity for this facility	122,037,775	Obsolescence Factor	47.9%	Total True Tax Value Before Abnormal Obsolescence Adjustment:	24,122,989	Times Economic Obsolescence - Inutility Penalty Factor	X 47.9%	Abnormal Obsolescence Adjustment (carry to Page 2, Line 65)	11,554,912
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divided by its Rated Capacity for this facility	122,037,775												
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Total True Tax Value Before Abnormal Obsolescence Adjustment:	24,122,989												
Times Economic Obsolescence - Inutility Penalty Factor	X 47.9%												
Abnormal Obsolescence Adjustment (carry to Page 2, Line 65)	11,554,912												
DEPRECIABLE AND OTHER													
Total Adjustment Claimed by Taxpayer	11,554,912.00												
Total Adjustment Allowed by Assessor													